LNF & IHCIF Calculations Illustration

- OMAHA in Aberdeen area -

Given Data

- 3,607 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 20% = % Expenditures on purchased services, 80% = % expenditures in-house
- 95.1% = Cost index for purchasing health care in this geographic area
- 117.3% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

Cost Adjustment Calculations

- $569 per person for purchased services = 20% * 95.1% * $2,980
- $2,795 per person for in-house services = 80% * 117.3% * $2,980
- $3,364 per person total = $569 (purchase) + $2,795 (in-house)
- **$3,657 per person total** adjusted for health status = $3,364 * 108.7%
- **$2,912 per person net cost** = $3,657 - $745 Other resources (M&M&PI)

Existing Expenditures (for 3,607 users excluding wrap-around and collections)

- $1,540 per person = local IHS allowance (excludes $ for wrap-around)
- $757 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$2,352 per person for OU users** = $1,540 + $757 + $54

LNF Calculation

- **64.3% Gross LNF** = $2,352 (expenditures) / $3,657 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **80.8% Net LNF** = $2,352 / $2,912 net cost ($3,657 - $745 other)

IHCIF Allocation

- $0 = $ to raise LNF% from 80.8% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$0 Allocation** = $0 needed for 60% * 3.488% IHCIF fraction

OMAHA Unmet Needs

- **$10,504,961 Net Total Need** = 3,607 users * $2,912 net cost
- **$2,021,923 Net Unmet Need** = (100% - 80.8% LNF) * 3,607 users * $2,912 net cost